WC DOCKET# 06-71

BURNET PLE COST OF GOLD



Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of	PCC/MELLON MAR 2 4 2008) }
Linda Halverson)
Kenneth L. Halver	son 2004 Irrevocable Trust dated April 1, 2004 Transferors)
MSG Tel, Inc.))
	Transferee).
For Transfer of Con	trol of W.E. Communications, Inc.,) }
the Parent Company	of Harmony Telephone Company, an)
Incumbent Local Ex	change Carrier Holding Domestic Blanket)
	r Section 214 of the Communications Act)

TO: Chief, Wireline Competition Bureau

APPLICATION FOR TRANSFER OF CONTROL OF DOMESTIC BLANKET SECTION 214 AUTHORIZATION

Commission authorization is hereby requested for the transfer of control of W. E. Communications, Inc. ("WEC") and its subsidiary Harmony Telephone Company ("Harmony") from Linda Halverson, individually, and as Trustee of the Kenneth L. Halverson 2004 Irrevocable Trust dated April 1, 2004 ("Transferors") to MSG Tel, Inc. ("MSG" or "Transferee").

Harmony is an incumbent local exchange carrier that serves a single Minnesota study area (Study Area No. 361404) consisting of two exchanges – the Harmony, Minnesota exchange (approximately 971 access lines) in southeastern Minnesota just north of the Minnesota-Iowa border; and the Harmony, Iowa exchange (approximately 46 access lines) in northeastern Iowa just south of the Minnesota-Iowa border.

MSG is a Minnesota corporation that is owned fifty percent (50.0%) by Mabel Cooperative Telephone Company ("Mabel"), and fifty percent (50.0%) by Spring Grove Cooperative Telephone Company ("Spring Grove"). Mabel is an incumbent local exchange carrier that serves two exchanges (approximately 774 access lines) in its Minnesota study area (Study Area No. 361424) and three exchanges (approximately 988 access lines) in its Iowa study area (Study Area No. 351424). Spring Grove is an incumbent local exchange carrier that serves a single Minnesota study area (Study Area No. 361485) comprised of one Minnesota exchange (approximately 1,320 access lines) and an Iowa exchange (approximately 50 access lines) just across the Minnesota-Iowa border. Both Mabel and Spring Grove operate east of Harmony along the Minnesota-Iowa border in southeastern Minnesota and northeastern Iowa. Whereas Mabel and Spring Grove share a common boundary with each other, neither the Mabel study areas nor the Spring Grove study area are contiguous with the Harmony study area.

Linda Halverson presently owns 50.9 percent of WEC's issued and outstanding voting stock, and, as Trustee of the Kenneth L. Halverson 2004 Arrevocable Trust dated April 1, 2004 ("Halverson Trust"), controls the remaining 49.1 percent of WEC's issued and outstanding voting stock. Currently, WEC has the following three wholly-owned subsidiaries: (a) Harmony Telephone Company; (b) Harmony Cable, Inc., the operator of a cable television system in the City of Harmony, Minnesota (CURD MN0348); and (c) Harmony Cellular, Inc., which presently has no assets or operations.

The proposed transaction consists of the purchase by MSG of all of the stock of WEC from Linda Halverson and the Halverson Trust. Immediately prior to the closing of the stock purchase, Linda Halverson and the Halverson Trust will cause: (a) the three

wholly-owned subsidiaries of WEC to be merged into WEC, with WEC remaining as the surviving entity: and (b) the name of WEC to be changed to "Harmony Telephone Company."

Upon closing of the proposed stock purchase, the re-organized and re-named Harmony Telephone Company (formerly WEC) will become a wholly-owned subsidiary of MSG. The new Harmony Telephone Company will continue to provide the same local exchange, exchange access and other telecommunications services as the current Harmony Telephone Company. It will also continue to provide the cable television services offered by the present Harmony Cable, Inc. under the assumed name of Harmony Cable.

In accordance with the requirements of Section 63.04(a) of the Commission's Rules, the applicants submit the following information:

(1) Name, address and telephone number of each applicant:

Transferors:

Linda Halverson 35 First Avenue NE (P.O. Box 308) Harmony, Minnesota 55939-0308 Telephone: (507) 886-2525

Telephone: (507) 886-2525 Facsimile: (507) 886-2500

Linda Halverson, Trustee

Kenneth L. Halverson 2004 Irrevocable Trust dated April 1, 2004

35 First Avenue NE (P.O. Box 308) Harmony, Minnesota 55939-0308

Telephone: (507) 886-2525 Facsimile: (507) 886-2500

Transferee:

MSG Tel, Inc.

166 West Main Street (P.O. Box 516)

Spring Grove, Minnesota 55974

Telephone: (507) 498-3456 Facsimile: (507) 498-5861 (2) Government, state or territory under the laws of which each corporate or partnership applicant is organized:

W. E. Communications, Inc. and its current wholly-owned subsidiaries Harmony Telephone Company, Harmony Cable, Inc., and Harmony Cellular, Inc. are all corporations organized under the laws of the State of Minnesota.

The re-organized and re-named Harmony Telephone Company will continue to be a corporation organized under the laws of the State of Minnesota.

The Kenneth L. Halverson 2004 Irrevocable Trust dated April 1, 2004 is a trust organized under the laws of the State of Minnesota.

MSG Tel, Inc. is a corporation organized under the laws of the State of Minnesota.

Mabel Cooperative Telephone Company and Spring Grove Cooperative Telephone Company are cooperative corporations organized under the laws of the State of Minnesota.

(3) Name, title, post office address, and telephone number of the officer or contact person to whom correspondence concerning the application is to be addressed:

For Transferors:

Kenneth L. Halverson Harmony Telephone Company 35 First Avenue NE (P.O. Box 308) Harmony, Minnesota 55939-0308 Telephone: (507) 886-2525

Facsimile: (507) 886-2500

With a copy to Counsel:
Gerard J. Duffy
Blooston, Mordkofsky, Dickens, Duffy & Prendergast
2120 L Street, N.W. (Suite 300)
Washington, D.C. 20037
Telephone: (202) 659-0830

Telephone: (202) 659-0830 Facsimile: (202) 828-5568

For Transferee:

Craig A. Otterness, General Manager Spring Grove Cooperative Telephone Company 166 West Main Street (P.O. Box 516) Spring Grove, Minnesota 55974 Telephone: (507) 498-3456

Telephone: (507) 498-3456 Facsimile: (507) 498-5861

Areas and Services of Harmony Telephone Company and affiliates

Harmony provides local exchange and exchange access services to two exchanges (approximately 1,017 total access lines) in southeastern Minnesota and northeastern Iowa. The two exchanges are the Harmony, Minnesota exchange (approximately 971 access lines) and the Harmony, Iowa exchange (approximately 46 access lines). Both exchanges are included in Harmony's Minnesota study area (Study Area No. 361404).

Harmony serves as a sales agent for interstate, intrastate and international long distance toll services provided by Onvoy, Inc., but Harmony and its affiliates do not themselves resell interstate, intrastate and/or international long distance toll services. Harmony holds a small and non-controlling ownership interest (well less than 5.0 percent) in Onvoy, Inc., which is a Minnesota corporation that provides centralized equal access, transport, voice, data, videoconference and Internet services.

Harmony Cable, Inc. owns and operates the cable television system serving the City of Harmony, Minnesota (CUID MN0348). Harmony and its affiliates do not own or operate any other cable television systems.

Harmony and its affiliates (WEC; Harmony Cable, Inc.; and Harmony Cellular, Inc.) provide no other domestic telecommunications services.

Areas and Services of MSG Tel, Inc.

MSG is a new holding company formed by Mabel and Spring Grove for the purpose of acquiring WHC/Harmony Telephone Company. MSG does not presently provide any domestic telecommunications services.

Areas and Services of Mabel Cooperative Telephone Company and Affiliates

Mabel provides local exchange and exchange access services to two exchanges (approximately 774 access lines) in southeastern Minnesota (Study Area No. 361424) and to three exchanges (approximately 988 access lines) in northeastern Iowa (Study Area No. 351424). Mabel serves the Mabel (approximately 769 access lines) and Prosper (approximately 5 access lines) exchanges in southeastern Minnesota, and the Burr Oak (approximately 561 access lines), Ridgeway (approximately 425 access lines) and Hesper (approximately 2 access lines) exchanges in northeastern Iowa.

Mabel Long Distance, Inc., a wholly-owned subsidiary of Mabel, resells interstate and intrastate long distance toll services to customers in Mabel's Minnesota and Iowa exchanges. It has recently submitted an application for an International Section 214 authorization to provide global resale of switched international long distance toll services.

Mabel Cooperative Telephone Company ("Mabel") is a telecommunications cooperative corporation owned by its approximately 1,760 owner-members. No individual owner-member owns or controls ten (10) percent or more of the equity of Mabel.

Spring Grove Cooperative Telephone Company ("Spring Grove") is a telecommunications cooperative corporation owned by its approximately 1,060 owner-members. No individual owner-member owns or controls ten (10) percent or more of the equity of Spring Grove.

(5) Certification pursuant to 47 C.F.R. Sections 1.2001 through 1.2003 that no party to the application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

Linda Halverson, individually and as Trustee of the Kenneth L. Halverson 2004 Irrevocable Trust dated April 1, 2004; and MSG Tel, Inc. hereby certify, pursuant to 47 C.F.R. Sections 1.2001 through 1.2003, that no party to the present application is subject to denial of Federal benefits pursuant to section 5301 of the Asti-Drug Abuse Act of 1988.

(6) Description of the transaction:

The proposed transaction consists of: (a) the purchase of all of the issued and outstanding voting stock of WEC by MSG from Linda Halverson and the Halverson Trust; (b) just prior to closing, the merger of the three current subsidiaries of WEC (Harmony Telephone Company; Harmony Cable, Inc.; and Harmony Gellular, Inc.) into WEC; and (c) also just prior to closing, the change of the name of the reorganized WEC to Harmony Telephone Company. At the completion of the closing, the re-named and re-organized Harmony Telephone Company will be a wholly-owned subsidiary of MSG. Harmony Telephone Company will continue to provide domestic telecommunications services within its Minnesota exchange and its lowa exchange.

(7) Description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area:

Maps of the southeastern Minnesota and northeastern Iowa local exchange service areas of Harmony, Mabel and Spring Grove are attached.

Harmony's local exchange service area is not contiguous with the Mabel or Spring Grove local exchange service areas. Mabel and Spring Grove, the two owners of the Transferee MSG, share a common local exchange service area boundary, but the service area of neither Mabel nor Spring Grove is adjacent to the service area of Harmony.

With a copy to Counsel:

Gerard J. Duffy

Blooston, Mordkofsky, Dickens, Duffy & Prendergast

2120 L Street, N.W. (Suite 300)

Washington, D.C. 20037 Telephone: (202) 659-0830 Facsimile: (202) 828-5568

(4) Name, address, citizenship and principal business of any person or entity that directly owns at least ten (10) percent of the equity of the applicant, and the percentage of equity owned by each of those entities:

Prior to the proposed transaction, the names, addresses, citizenship and principal businesses of the entities that own at least ten (10) percent of the equity of WEC are:

Name & Address
Linda Halverson
35 First Avenue NE
Harmony, Minnesota 55939

Kequity
Citizenship
Principal Business
U.S.A. Telecommunications

Linda Halverson, Trustee 49.1% MN Investments
Kenneth L. Halverson 2004 Trust
Irrevocable Trust dated April 1, 2004
35 First Avenue NE
Harmony, Minnesota 55939

After the proposed transaction, the name, address, citizenship and principal business of the sole entity that will own at least ten (10) percent of the equity of Harmony Telephone Company (formerly WEC) is:

%

Name & Address
MSG Tel, Inc.
100.0%

MN

Telecommunications
Corp.

Spring Grove, MN 55974

In turn, the names, addresses, citizenship and principal businesses of the entities that own at least ten (10) percent of the equity of MSG Tel, Inc. are:

Name & Address Equity Citizenship Principal Business Mabel Cooperative Telephone Co. MN Telecommunications 214 North Main Street Corp. Mabel, MN 55954 **Telecommunications** Spring Grove Cooperative Tel. Co. 50.0% MN 166 West Main Street Corp. Spring Grove, MN 55974

Mabel holds a small and non-controlling ownership interest (less than 1.0 percent) in Onvoy, Inc.

Mabel and its affiliates provide no other domestic telecommunications services.

Areas and Services of Spring Grove Cooperative Telephone Company and Affiliates

Spring Grove provides local exchange and exchange access services to two exchanges (approximately 1,370 access lines). Its Spring Grove, Minnesota exchange (approximately 1,320 access lines) is located in southeastern Minnesota, and its South Spring Grove, Iowa exchange (approximately 50 access lines) is located just across the Minnesota-Iowa border in northeastern Iowa. Both exchanges are included within Spring Grove's Minnesota study area (Study Area No. 361485).

Norsk TeleKom LLC, an affiliate of Spring Grove, resells interstate, intrastate and international long distance toll services to customers in Spring Grove's exchanges.

Spring Grove has no ownership interest in Onvoy, Inc., but it does own a small, non-controlling 1.44 percent membership interest in Midwest Wireless, a provider of cellular telecommunications services.

Spring Grove and its affiliates provide no other domestic telecommunications services.

(8) Statement as to how the application fits into one or more of the presumptive streamlined categories in section 63.03 or why it is otherwise appropriate for streamlined treatment:

Harmony (approximately 1,017 access lines), Mabel (approximately 1,762 access lines) and Spring Grove (approximately 1,370 access lines) are rural telephone companies that have, in combination, far fewer than two percent of the nation's subscriber lines installed in the aggregate nationwide. These approximately 4,149 access lines comprise, in the aggregate, only a very small fraction of the 3,601,735 end-user switched access lines that constituted two percent of the nation's estimated 180,086,735 end-user switched access lines as of June 30, 2004. Source: Industry Analysis and Technology Division, <u>Trends in Telephone Service</u>, April 2005, Table 8.1.

Neither of the owners of Transferee MSG (Mabel and Spring Grove) has a service area that overlaps or is adjacent to the service area of Harmony, the incumbent local exchange carrier being acquired in the proposed transaction.

(9) Identification of all other Commission applications related to the same transaction:

The parties have filed, or will soon file, an application for transfer of control of the radio station authorization for Domestic Fixed Satellite Service Fixed Earth Station E870020 at Harmony, Minnesota (File No. 000026-DSE-L-87).

(10) Statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure:

No party to the transaction is facing imminent business failure at this time. Therefore, the applicants are not requesting special consideration because a party to the transaction is facing imminent business failure.

(11) Identification of any separately filed waiver requests being sought in conjunction with the transaction:

No separately filed waivers or waiver requests are being sought in conjunction with the proposed transaction.

(12) Statement showing how grant of the application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets:

The proposed transaction entails the transfer of control of a small rural telephone company (approximately 1,017 access lines) to a company owned by two slightly larger rural telephone cooperatives (approximately 3,132 total access lines). All three rural carriers have long provided their rural customers with high quality, state-of-the-art communications services at affordable rates. MSG will ensure that this excellent record of service continues in the Harmony service area as the Halverson family moves on to other ventures.

Conclusion

In light of the foregoing facts and public interest considerations, the Commission is respectfully requested to authorize the transfer of control of WEC/Harmony and its domestic blanket Section 214 authorization from Linda Halverson and the Halverson Trust to MSG.

Respectfully submitted,

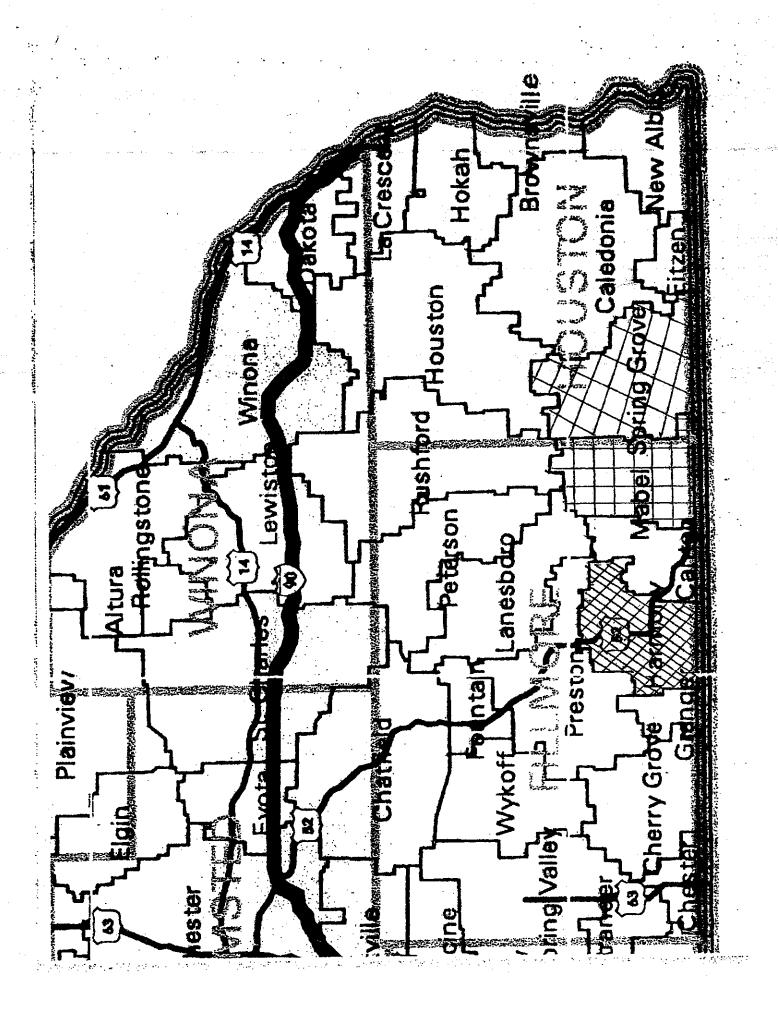
LINDA HALVERSON By Sala Califer	MSG TEL, INC. COOPERATIVE, INC. By Dean Nierling
Date 3/15/06	Printed Name Dean Nierling
	Title President
	Date 3/15/06

KENNETH L. HALVERSON 2004 . IRREVOCABLE TRUST DATED APRIL 1, 2004

Title: Trustee

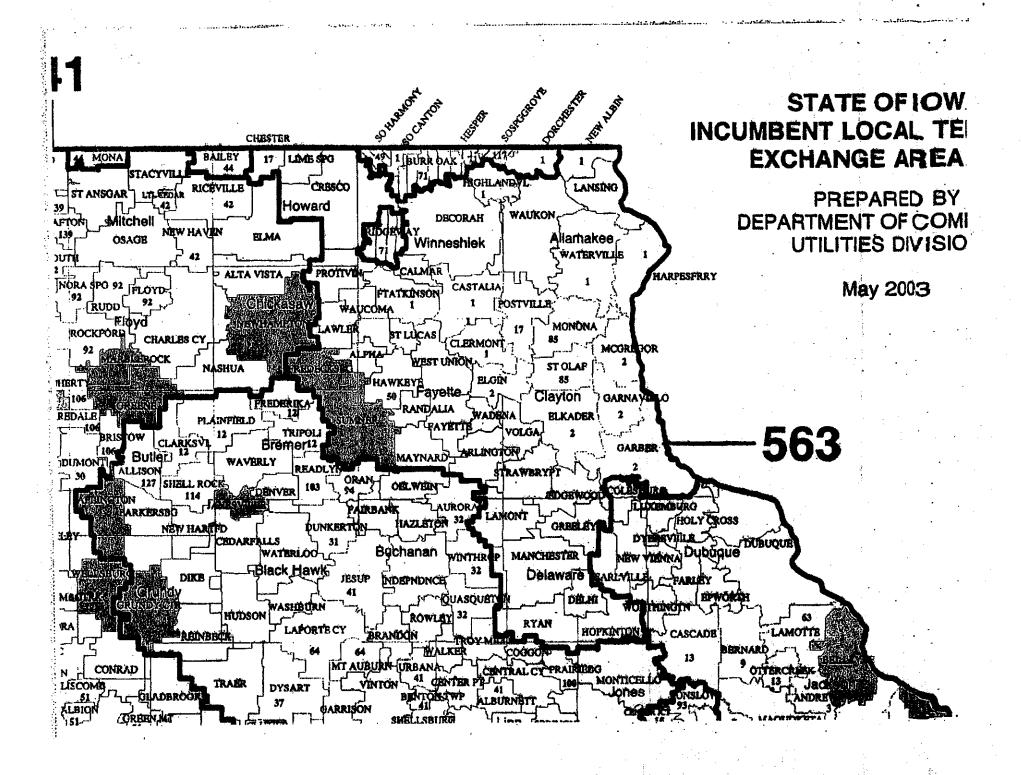
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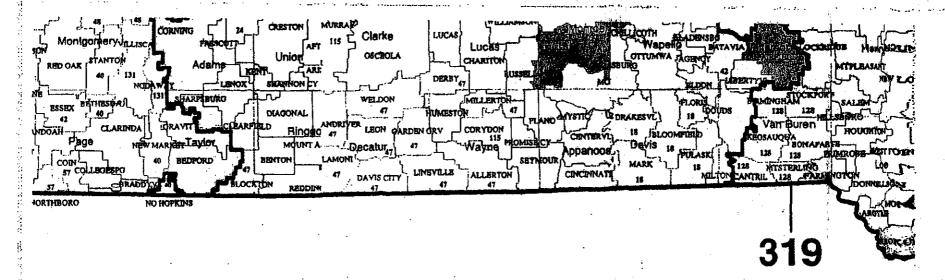
ATTACHMENT 1 MINNESOTA MAP



ATTACHMENT 2

IOWA MAP





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	32	East Buchanan Telephone Cooperative	H-3 62	Keystone Communications	.0-4 92 ."	Omni Tel Communications	F- t
	33	East Pigins Telecom, Inc.	A - 1 63	La Motte Telephone Company, Inc.	J-3 93	Onslow Cooperative Telephone Assn.	1-3
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	41	Farmers Multiral Yelephone Company	H-3 71	Mabel Cooperative Telephone Combany		Presion Telephone Company	J-3
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	45	Goldfield Telephone Company	E-2 75	Machanicaville Talephone Company		River Valley Telecorhiministians	Ç- 🛊
	46	Grand Mound Cooperative Telephone Assn.	J-4 78	Mediapolis Telephone Company	E+8 . 106	Rockwell Cooperative Telephone Ason,	F-1
:	47	Grand River Mutual Telephone Corporation	E-6 77	Miles Cooperative Telephone Assn.		Reyal Telephone Company	9 • 📲
9	48	Griswold Cooperative Telephone Company	C-5 78	Miller Telephone Company		Rivery Telephone Enghange Company	C- =
	49	Harmony Telephone Company	H-1 79	Minibum Telecommunications, Inc.		Sec County Mutual Telephone Company	9-3
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CERTIFICATION STATEMENT					
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the best of my knowledge, information and belief.					
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